



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
PIKE COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

**EDWARD B. HATCHETT, JR.
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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Karen F. Gibson, County Judge/Executive

Honorable Donna Damron, Former County Judge/Executive

Members of the Pike County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Pike County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Pike County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Pike County, Kentucky prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Pike County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Karen F. Gibson, County Judge/Executive

Honorable Donna Damron, Former County Judge/Executive

Members of the Pike County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Pike County, Kentucky, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. The other information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated March 14, 2000 on our consideration of Pike County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a stylized flourish at the end.

Edward B. Hatchett, Jr.

Auditor of Public Accounts

Audit fieldwork completed -
March 14, 2000

PIKE COUNTY OFFICIALS

June 30, 1999

Karen F. Gibson	County Judge/Executive
Howard Keith Hall	County Attorney
Lillian P. Elliott	County Clerk
W. David Deskins	Circuit Court Clerk
Charles Keesee	Sheriff
Rodney Scott	Jailer
Lonnie Osborne	Property Valuation Administrator
Johnda B. Billiter	County Treasurer
Charles Morris	Coroner
J. Lyle Blackburn	Magistrate
Vernon Johnson	Magistrate
James Rodney Keene	Magistrate
Foster Thacker	Magistrate
Lloyd Hilman Dotson	Magistrate
Stirl E. Harris	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

PIKE COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets and Other Resources

Assets

General Fund:	
Cash	\$ 3,229,220
Road and Bridge Fund:	
Cash	235,763
Jail Fund:	
Cash	15,457
Jail Commissary Fund:	
Cash	49,894
Jail Inmate Fund:	
Cash	6,030
Local Government Economic Assistance Fund:	
Cash	583,071
Forestry Fund:	
Cash	5,156
Solid Waste Fund:	
Cash	741,465
Ford's Branch Landfill Closing Fund:	
Cash	835,916
Courthouse Building Commission Fund:	
Cash	32,329
Pike County Interlocal 911 Board Fund:	
Cash	586,237
Public Properties Corporation Fund:	
Cash	531
Investments	465,276
Payroll Account - Cash	6,330
Retirement Account - Cash	65

Other Resources

Local Government Economic Assistance Fund:	
Amounts to be Provided in Future Years for Capital Lease Principal Obligations - Courthouse (Note 7)	4,212,176
Amounts to be Provided in Future Years for Capital Lease Principal Obligations - Courthouse (Note 7)	507,874
Solid Waste Fund:	
Amounts to be Provided in Future Years for Capital Lease Principal Obligations - Equipment (Note 7)	398,005

The accompanying notes are an integral part of the financial statements.

PIKE COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 1999
 (Continued)

Other Resources (Continued):

Solid Waste Fund: (Continued)

Amounts to be Provided in Future Years for Capital Lease Principal Obligations - Vehicles and Equipment (Note 7)	\$ 1,000,000
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Public Properties Corporation Fund:

Amounts to be Provided in Future Years for Principal Bond Payments (Note 8)	<u>5,044,193</u>
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Total Assets and Other Resources	<u><u>\$ 17,954,988</u></u>
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Liabilities and Fund Balances

Liabilities

Jail Inmate Fund	\$ 6,030
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Local Government Economic Fund:

Capital Lease Principal Obligation - Courthouse (Note 7)	4,212,176
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Capital Lease Principal Obligation - Courthouse (Note 7)	507,874
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Solid Waste:

Capital Lease Principal Obligation - Equipment (Note 7)	398,005
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Capital Lease Principal Obligation - Vehicles and Equipment (Note 7)	1,000,000
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Public Properties Corporation Fund:

1997 Refunding Revenue Bonds Principal (Note 8)	5,510,000
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Payroll Account	6,330
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Retirement Account	65
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Fund Balances

Reserved:

Jail Commissary Fund	49,894
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Local Government Economic Assistance Fund	583,071
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Forestry Fund	5,156
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Solid Waste Fund	741,465
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Ford's Branch Landfill Closing Fund	835,916
-------------------------------------	---------

Pike County Building Commission Fund	32,329
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Pike County Interlocal 911 Board Fund	586,237
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Unreserved:

General Fund	3,229,220
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Road and Bridge Fund	235,763
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Jail Fund	<u>15,457</u>
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Total Liabilities and Fund Balances	<u><u>\$ 17,954,988</u></u>
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The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

PIKE COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 22,681,350	\$ 10,067,364	\$ 2,039,959	\$ 1,058,642
Transfers In	5,207,317	220,958	2,430,020	391,209
Kentucky Advance Revenue Program	5,000,000	5,000,000		
Jail Inmate	169,030			
Jail Commissary	134,258			
Total Cash Receipts	<u>\$ 33,191,955</u>	<u>\$ 15,288,322</u>	<u>\$ 4,469,979</u>	<u>\$ 1,449,851</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 19,155,268	\$ 7,566,065	\$ 3,653,134	\$ 1,439,087
Transfers Out	5,207,317	1,060,579	635,796	
Bonds:				
Principal Paid	1,130,000			
Interest Paid	362,306			
Kentucky Advance Revenue Program Repaid	5,000,000	5,000,000		
Capital Lease Payments	309,032	22,732		
Jail Inmate Fund Expenditures	167,976			
Jail Commissary Fund Expenditures	120,871			
Total Cash Disbursements	<u>\$ 31,452,770</u>	<u>\$ 13,649,376</u>	<u>\$ 4,288,930</u>	<u>\$ 1,439,087</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 1,739,185	\$ 1,638,946	\$ 181,049	\$ 10,764
Cash Balance - July 1, 1998*	<u>5,047,160</u>	<u>1,590,274</u>	<u>54,714</u>	<u>4,693</u>
Cash Balance - June 30, 1999*	<u>\$ 6,786,345</u>	<u>\$ 3,229,220</u>	<u>\$ 235,763</u>	<u>\$ 15,457</u>

* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

PIKE COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1999
(Continued)

Jail Commissary Fund	Jail Inmate Fund	Local Government Economic Assistance Fund	Forestry Fund	Solid Waste Fund	Maintenance Garage Fund
\$	\$	\$ 4,579,749	\$ 11,340 1,868	\$ 4,305,698	\$ 1,562 1,056,812
	169,030				
134,258					
\$ 134,258	\$ 169,030	\$ 4,579,749	\$ 13,208	\$ 4,305,698	\$ 1,058,374
\$	\$	\$ 2,476,826 2,006,252	\$ 8,208	\$ 2,944,633 1,283,732	\$ 1,058,913
		171,122		115,178	
	167,976				
120,871					
\$ 120,871	\$ 167,976	\$ 4,654,200	\$ 8,208	\$ 4,343,543	\$ 1,058,913
\$ 13,387	\$ 1,054	\$ (74,451)	\$ 5,000	\$ (37,845)	\$ (539)
36,507	4,976	657,522	156	779,310	539
\$ 49,894	\$ 6,030	\$ 583,071	\$ 5,156	\$ 741,465	\$ 0

PIKE COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Federal Grants Fund	Ford's Branch Landfill Closing Fund	Courthouse Building Commission Fund	Pike County Interlocal 911 Board Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 8,402	\$ 21,522	\$ 1,335	\$ 317,500
Transfers In		130,000		
Kentucky Advance Revenue Program				
Jail Inmate				
Jail Commissary				
Total Cash Receipts	<u>\$ 8,402</u>	<u>\$ 151,522</u>	<u>\$ 1,335</u>	<u>\$ 317,500</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 8,402	\$	\$	\$
Transfers Out				220,958
Bonds:				
Principal Paid				
Interest Paid				
Kentucky Advance Revenue Program				
Repaid				
Capital Lease Payments				
Jail Inmate Fund Expenditures				
Jail Commissary Fund Expenditures				
Total Cash Disbursements	<u>\$ 8,402</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 220,958</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 151,522	\$ 1,335	\$ 96,542
Cash Balance - July 1, 1998*		684,394	30,994	489,695
Cash Balance - June 30, 1999*	<u>\$ 0</u>	<u>\$ 835,916</u>	<u>\$ 32,329</u>	<u>\$ 586,237</u>

* Cash Balance Includes Investments

PIKE COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1999
(Continued)

Public
Properties
Corporation
Bond Fund

\$ 268,277
976,450

\$ 1,244,727

\$

1,130,000
362,306

\$ 1,492,306

\$ (247,579)
713,386

\$ 465,807

PIKE COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Pike County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Jail Commissary Fund, Jail Inmate Fund, Pike County E-911 Board Fund, and the Public Properties Corporation Fund as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Pike county budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

PIKE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Related Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of Pike County Fiscal Court: Pike County Housing Authority, Sandy Valley Water Commission, Mountain Water District, Pike County Golf Management Corporation, and the Fishtrap Lake Commission.

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

PIKE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1999
 (Continued)

Note 3. Deposits

The county maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. The county entered into a written agreement with the depository institution and met requirements (a), (b), and (c) stated above. However, as of June 30, 1999, the uncollateralized amount on deposit was \$372,960. The pledged securities and FDIC insurance did not equal or exceed the amount on deposit.

The county's deposits are categorized below to give an indication of the level of risk assumed by the county as of June 30, 1999.

	<u>Bank Balance</u>
Collateralized with securities held by pledging depository institution in the county's name	\$ 15,838,308
Uncollateralized and uninsured	<u>372,960</u>
Total	<u><u>\$ 16,211,268</u></u>

Note 4. Receivable

During fiscal year end June 30, 1997, the Pike County Fiscal Court and the Floyd County Fiscal Court reached an agreement as to past due landfill user fees owed by the Floyd County Fiscal Court in the amount of \$214,826. The agreement required one lump sum payment of \$107,000 and monthly payments of \$1,797. During fiscal year ending June 30, 1999, the county received \$21,565 from the Floyd County Fiscal Court. As of June 30, 1999, the total amount due from the Floyd County Fiscal Court for landfill user fees is \$53,913.

Note 5. Buskirk McCarr Flood Control Project

The county entered into an agreement with the Department of Army for a flood control project within the county. The agreement requires the county to provide five percent of the total project costs. For the non-federal share of the project, the county entered into an agreement with the Commonwealth of Kentucky to provide 95 percent of the contribution. The Buskirk McCarr Flood Control Project balance at July 1, 1998 was \$220,147, including \$1,842 of interest income. The county contributed \$25,000 to the project, and the Commonwealth of Kentucky contributed \$207,500. Interest income totaled \$9,238 for fiscal year ending June 30, 1999. Project costs paid to the Department of the Army totaled \$350,000. In accordance with the project agreement, \$11,080 was paid to the Commonwealth of Kentucky for net interest income. The project account balance as of June 30, 1999 was \$100,805, including \$805 of interest income.

PIKE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 6. Lease Purchase Agreements

- A. Pike County entered into a lease agreement with Kentucky Association of County Leasing Trust Program for voting machines. The agreement requires variable monthly payments for 120 months to be paid in full February 1, 2001. The principal balance of the agreement was \$94,000 as of June 30, 1999.
- B. Pike County entered into a lease agreement with Firststar Bank for vehicles and equipment. The agreement requires variable monthly payments for 60 months to be paid in full August 1, 2000. The principal balance of the agreement was \$77,947 as of June 30, 1999.
- C. Pike County entered into a lease agreement with Kentucky Association of County Leasing Trust Program for county airport expansion during fiscal year end June 30, 1999. The agreement requires variable monthly payments for 60 months to be paid in full January 20, 2004. The principal balance of the agreement was \$499,000 as of June 30, 1999.
- D. Pike County entered into a lease agreement with Kentucky Association of County Leasing Trust Program for computer equipment during fiscal year end June 30, 1999. The agreement requires variable monthly payments for 36 months to be paid in full May 2, 2002. The principal balance of the agreement was \$199,592 as of June 30, 1999.

Note 7. Capital Lease Agreements

- A. Pike County entered into a lease agreement with Kentucky Association of Counties Leasing Trust Program for courthouse renovations. The agreement requires variable monthly payments for 25 years to be paid in full July 1, 2016. The principal balance of the agreement was \$4,212,176 as of June 30, 1999. The county refinanced the lease agreement for a lower interest rate in fiscal year 1999-2000. Lease payments for the remaining years are:

Fiscal Year Ending June 30	Scheduled Interest And Other Fees	Scheduled Principal
2000	\$ 180,959	\$ 136,192
2001	180,892	157,272
2002	173,591	166,890
2003	165,844	177,095
Thereafter	1,189,921	3,574,727
Totals	<u>\$ 1,891,207</u>	<u>\$ 4,212,176</u>

PIKE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 7. Capital Lease Agreements (Continued)

- B. Pike County entered into a lease agreement with Kentucky Association of Counties Leasing Trust Program for additional courthouse renovations and furniture. The agreement requires variable monthly payments for 25 years to be paid in full March 1, 2018. The principal balance of the agreement was \$507,874 as of June 30, 1999. The county refinanced the lease agreement for a lower interest rate in fiscal year 1999-2000. Lease payments for the remaining years are:

<u>Fiscal Year Ending June 30</u>	<u>Scheduled Interest And Other Fees</u>	<u>Scheduled Principal</u>
2000	\$ 21,819	\$ 16,381
2001	21,818	18,652
2002	20,958	19,506
2003	20,058	20,398
Thereafter	159,971	432,937
Totals	<u>\$ 244,624</u>	<u>\$ 507,874</u>

- C. Pike County entered into a lease agreement with Fifth Third Bank for equipment. The agreement requires monthly payments of \$14,572 for 60 months to be paid in full November 1, 2001. The principal balance of the agreement was \$398,005 as of June 30, 1999. Lease payments for the remaining years are:

<u>Fiscal Year Ending June 30</u>	<u>Scheduled Interest And Other Fees</u>	<u>Scheduled Principal</u>
2000	\$ 14,830	\$ 145,514
2001	7,682	166,282
2002	1,224	86,209
Totals	<u>\$ 23,736</u>	<u>\$ 398,005</u>

PIKE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1999
 (Continued)

Note 7. Capital Lease Agreements (Continued)

D. Pike County entered into a lease agreement with Kentucky Association of Counties Leasing Trust Program for equipment in fiscal year 1999-2000. The agreement requires variable monthly payments for 5 years to be paid in full February 1, 2004. The principal balance of the agreement was \$1,000,000 as of June 30, 1999. Lease payments for the remaining years are:

<u>Fiscal Year Ending June 30</u>	<u>Scheduled Interest And Other Fees</u>	<u>Scheduled Principal</u>
2000	\$ 46,495	\$ 184,000
2001	36,265	192,000
2002	26,640	200,000
2003	16,621	208,000
Thereafter	<u>6,208</u>	<u>216,000</u>
Totals	<u>\$ 132,229</u>	<u>\$ 1,000,000</u>

Note 8. Long-Term Debt

In February 1997, the Pike County Public Properties Corporation, a component unit of the Pike County Fiscal Court, issued \$5,875,000 in refunding revenue bonds to refinance the Hall of Justice. The bonds require semiannual interest payments due August 20 and February 20 and one principal payment each year due August 20. The bonds will mature February 20, 2019. As of June 30, 1999, the principal amount outstanding was \$5,510,000. Bond payments for the remaining years are:

<u>Fiscal Year Ending June 30</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2000	\$ 299,371	\$ 175,000
2001	290,999	185,000
2002	281,972	195,000
2003	272,294	205,000
Thereafter	<u>2,373,614</u>	<u>4,750,000</u>
Totals	<u>\$ 3,518,250</u>	<u>\$ 5,510,000</u>

PIKE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 9. Landfill Closure and Post-Closure Costs

The county landfill is scheduled to close in the year 2022. As of June 30, 1999, 70 percent of the landfill capacity had been used. Pike County must comply with established state and federal landfill closure procedures and must perform maintenance and monitoring the procedures at the site for 30 years after closure. Estimated closure costs total \$2,347,733 and estimated postclosure care costs total \$252,679 or \$8,423 per year. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Since the financial statements are prepared on a cash basis of accounting in accordance with the laws of the Commonwealth of Kentucky, no liability has been recognized for closure or post-closure costs. At June 30, 1999, the Landfill Escrow Bank Account had a balance of \$835,916. The fiscal court is continuing to deposit a portion of all landfill receipts in the Landfill Escrow Bank Account. It is anticipated that sufficient funds will be available in the Landfill Escrow Account to pay all estimated closures and post-closure costs.

Note 10 . Insurance

For the fiscal year ended June 30, 1999, Pike County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF) . KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

PIKE COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	Budgeted Operating Revenue	Actual Operating Revenue	Over (Under) Budget
General Fund	\$ 38,332,949	\$ 10,067,364	\$ (28,265,585)
Road and Bridge Fund	4,845,240	2,039,959	(2,805,281)
Jail Fund	1,569,650	1,058,642	(511,008)
Local Government Economic Assistance Fund	2,454,928	4,579,749	2,124,821
Forestry Fund	9,000	11,340	2,340
Solid Waste Fund	3,575,075	4,305,698	730,623
Maintenance Garage Fund	1,071,250	1,562	(1,069,688)
Federal Grants Fund	680,000	8,402	(671,598)
Totals	<u>\$ 52,538,092</u>	<u>\$ 22,072,716</u>	<u>\$ (30,465,376)</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 52,538,092
Add: Budgeted Prior Year Surplus	<u>1,799,718</u>
Total Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 54,337,810</u>

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SCHEDULE OF OPERATING REVENUE

PIKE COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Revenue From Local Taxes and Excess Fees				
Sheriff:				
Property Taxes	\$ 4,045,867	\$ 4,045,867	\$	\$
Unmined Coal Taxes	697,193	697,193		
Advertising Fees Collected	1,981	1,981		
Bank Franchise Tax	215,264	215,264		
County Clerk:				
Deed Transfer Tax	71,671	71,671		
Occupational Licenses	4,633	4,633		
Delinquent Taxes	122,072	122,072		
Tangible Personal Property Tax	471,392	471,392		
Sheriff - 25% account	168,459	168,459		
Clerk - 25% Account	322,119	322,119		
Sheriff and County Clerk - Excess Fees	381,511	381,511		
In Lieu of Taxes:				
US Treasurer	11,273	11,273		
Totals	\$ 6,513,435	\$ 6,513,435	\$ 0	\$ 0
U.S. Treasurer				
Housing Prisoners	\$ 38,816	\$	\$	\$ 38,816
Totals	\$ 38,816	\$ 0	\$ 0	\$ 38,816
Federal Receipts - State Treasurer				
Disaster and Emergency Assistance				
Grants - Coordinator Salary	\$ 6,479	\$ 6,479	\$	\$
Army Corps of Engineers Lease	1,223	1,223		
Community Development Block Grant -				
Mossy Bottom	608,510	600,108		
Appalachian Regional Commission Grant -				
Phelps Fire Hydrants	71,624	71,624		

PIKE COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Forestry Fund	Solid Waste Fund	Maintenance Garage Fund	Federal Grants Fund	Ford's Branch Landfill Closing Fund
\$	\$	\$	\$	\$	\$
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$	\$	\$	\$	\$	\$
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$	\$	\$	\$	\$	\$

8,402

PIKE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Courthouse Building Commission Fund	Pike County Interlocal 911 Board Fund	Public Properties Corporation Bond Fund
Revenue From Local Taxes <u>and Excess Fees</u>			
Sheriff:			
Property Taxes	\$	\$	\$
Unmined Coal Taxes			
Advertising Fees Collected			
Bank Franchise Tax			
County Clerk:			
Deed Transfer Tax			
Occupational Licenses			
Delinquent Taxes			
Tangible Personal Property Tax			
Sheriff - 25% account			
Clerk - 25% Account			
Sheriff and County Clerk - Excess Fees			
In Lieu of Taxes:			
US Treasurer			
Totals	\$ 0	\$ 0	\$ 0
<u>U.S. Treasurer</u>			
Housing Prisoners	\$	\$	\$
Totals	\$ 0	\$ 0	\$ 0
<u>Federal Receipts - State Treasurer</u>			
Disaster and Emergency Assistance			
Grants - Coordinator Salary	\$	\$	\$
Army Corps of Engineers Lease			
Community Development Block			
Grant -			
Mossy Bottom			
Appalachian Regional Commission			
Grant -			
Phelps Fire Hydrants			

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PIKE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Federal Receipts - State Treasurer</u> (Continued)				
Abandoned Land Reclamation Program -				
Freeburn/Majestic	\$ 719,990	\$ 719,990	\$	\$
Feds creek/Mouthcard	22,259	22,259		
Environmental Protection Agency -				
Waste Water Planning	11,500	11,500		
Justice Cabinet -				
Intensive Home Supervision	11,492	11,492		
Local Law Enforcement Grant	10,336	10,336		
Pride Grant	2,570			
Flood Control Receipts	19,259	4,950	14,309	
National Forestry Receipts	125		125	
Totals	\$ 1,485,367	\$ 1,459,961	\$ 14,434	\$ 0

Kentucky State Treasurer

Jail:

Allotments	\$ 174,689	\$	\$	\$ 174,689
Medical Allotments	13,636			13,636
Driving Under The Influence Fees	11,071			11,071
Housing State Prisoners	354,277			354,277
Court Costs, Jail Operation	25,728			25,728
Controlled Intake	232,395			232,395
Forest Fire Suppression	11,340			
Road Energy Recovery	126,555		126,555	
Municipal Road Aid				
County Road Aid	1,645,239		1,645,239	
Snow Removal				
Public Defender Allotment				
Truck License Distribution	161,449		161,449	
Recouped Public Defender Fees				
Election Expense Reimbursement	27,540	27,540		

PIKE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

Local Government Economic Assistance Fund	Forestry Fund	Solid Waste Fund	Maintenance Garage Fund	Federal Grants Fund	Ford's Branch Landfill Closing Fund
\$	\$	\$	\$	\$	\$
		2,570			
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,570</u>	<u>\$ 0</u>	<u>\$ 8,402</u>	<u>\$ 0</u>
\$	\$	\$	\$	\$	\$
		11,340			

PIKE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Courthouse Building Commission Fund	Pike County Interlocal 911 Board Fund	Public Properties Corporation Bond Fund
<u>Federal Receipts - State Treasurer</u>			
(Continued)			
Abandoned Land Reclamation Program -			
Freeburn/Majestic	\$	\$	\$
Feds Creek/Mouthcard			
Environmental Protection Agency -			
Waste Water Planning			
Justice Cabinet -			
Intensive Home Supervision			
Local Law Enforcement Grant			
Pride Grant			
Flood Control Receipts			
National Forestry Receipts			
Totals	\$ 0	\$ 0	\$ 0

Kentucky State Treasurer

Jail:			
Allotments	\$	\$	\$
Medical Allotments			
Driving Under The Influence Fees			
Housing State Prisoners			
Court Costs, Jail Operation			
Controlled Intake			
Forest Fire Suppression			
Road Energy Recovery			
Municipal Road Aid			
County Road Aid			
Snow Removal			
Public Defender Allotment			
Truck License Distribution			
Recouped Public Defender Fees			
Election Expense Reimbursement			

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PIKE COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
(Continued)				
Fire Protection				
Strip Mine Permits	\$ 236,349	\$ 236,349	\$	\$
GIS Mapping	50,000	50,000		
Courthouse Rental - Administrative				
Office of the Courts	405,862	166,372		
Refunds:				
Legal Process Tax	593	593		
Drivers Licenses	6,736		6,736	
Dog Licenses	1,593	1,593		
Severance Taxes:				
Coal	3,047,514			
Mineral	1,497,755			
Board of Assessments	800	800		
State Surplus Grants:				
Fishtrap Lake Clean-Up	50,000	50,000		
Pass-Through Monies -				
Recreation and Education	200,000	200,000		
Elkhorn Creek/Dorton Project	75,000	75,000		
Lick Creek Park	25,000	25,000		
Skate Park for YMCA	25,000	25,000		
Black Gem Project	25,000	25,000		
Grapevine Park	25,000	25,000		
Domestic Violence Shelter	50,000	50,000		
Disaster and Emergency				
Assistance Grant -				
Coordinator Salary	3,643	3,643		
Local Government Economic				
Development-				
Mossy Bottom	35,722	35,722		
Pikeville Marketing Center	300,000	300,000		
Totals	<u>\$ 8,845,486</u>	<u>\$ 1,297,612</u>	<u>\$ 1,939,979</u>	<u>\$ 811,796</u>

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PIKE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Courthouse Building Commission Fund	Pike County Interlocal 911 Board Fund	Public Properties Corporation Bond Fund
<u>Kentucky State Treasurer</u> (Continued)			
Fire Protection			
Strip Mine Permits	\$	\$	\$
GIS Mapping			
Courthouse Rental - Administrative			
Office of the Courts			239,490
Refunds:			
Legal Process Tax			
Drivers Licenses			
Dog Licenses			
Severance Taxes:			
Coal			
Mineral			
Board of Assessments			
State Surplus Grants:			
Fishtrap Lake Clean-Up			
Pass-Through Monies -			
Recreation and Education			
Elkhorn Creek/Dorton Project			
Lick Creek Park			
Skate Park for YMCA			
Black Gem Project			
Grapevine Park			
Domestic Violence Shelter			
Disaster and Emergency			
Assistance Grant -			
Coordinator Salary			
Local Government Economic			
Development-			
Mossy Bottom			
Pikeville Marketing Center			
Totals	\$ 0	\$ 0	\$ 239,490

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PIKE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u>				
Interest	\$ 365,832	\$ 215,385	\$ 12,865	\$ 6,432
Circuit Court Clerk:				
Jail Cost	6,027			6,027
Bail Bond Fees	6,820			6,820
Work Release	137,247			137,247
Housing Prisoners Other Counties	242			242
Jail:				
Telephone Commission Refunds	38,511			38,511
Licenses and Permits:				
Cable TV Franchise	197,824	197,824		
911 Collections	301,794			
Flood Plain Permits	542	542		
Charges for Services:				
Garbage Collection	2,779,073			
Landfill User	1,409,543			
Animal Adoption Fees	18,207	18,207		
Rentals and Leases:				
Post Office Rent	14,445	14,445		
Forest City High Rise Rent	5,201	5,201		
Pike County Child Development	3,329	3,329		
Mountain Top Baking	4,800	4,800		
Phelps Center	25,166	25,166		
Reimbursements:				
Golf Course	170,869	170,869		
Airboard Project	15,000	15,000		
Medical	7,930			7,930
Insurance	121,073	38,320	21,863	
KACO Lease Reimbursement	37,856	37,856		
Private Contributions	49,504		49,504	
Recycling Proceeds	14,735			
Floodproofing Sale	27,480	27,480		
Miscellaneous Items	39,196	21,932	1,314	4,821
Totals	\$ 5,798,246	\$ 796,356	\$ 85,546	\$ 208,030
Total Operating Revenue	\$ 22,681,350	\$ 10,067,364	\$ 2,039,959	\$ 1,058,642

PIKE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

Local Government Economic Assistance Fund	Forestry Fund	Solid Waste Fund	Maintenance Garage Fund	Federal Grants Fund	Ford's Branch Landfill Closing Fund
\$ 33,449	\$	\$ 30,351	\$	\$	\$ 21,522
		2,779,073			
		1,409,543			
		60,890			
		14,735			
1,031		8,536	1,562		
\$ 34,480	\$ 0	\$ 4,303,128	\$ 1,562	\$ 0	\$ 21,522
\$ 4,579,749	\$ 11,340	\$ 4,305,698	\$ 1,562	\$ 8,402	\$ 21,522

PIKE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Courthouse Building Commission Fund	Pike County Interlocal 911 Board Fund	Public Properties Corporation Bond Fund
<u>Miscellaneous Revenue</u>			
Interest	\$ 1,335	\$ 15,706	\$ 28,787
Circuit Court Clerk:			
Jail Cost			
Bail Bond Fees			
Work Release			
Housing Prisoners Other Counties			
Jail:			
Telephone Commission Refunds			
Licenses and Permits:			
Cable TV Franchise			
911 Collections		301,794	
Flood Plain Permits			
Charges for Services:			
Garbage Collection			
Landfill User			
Animal Adoption Fees			
Rentals and Leases:			
Post Office Rent			
Forest City High Rise Rent			
Pike County Child Development			
Mountain Top Baking			
Phelps Center			
Reimbursements:			
Golf Course			
Airboard Project			
Medical			
Insurance			
KACO Lease Reimbursement			
Private Contributions			
Recycling Proceeds			
Floodproofing Sale			
Miscellaneous Items			
Totals	\$ 1,335	\$ 317,500	\$ 28,787
Total Operating Revenue	\$ 1,335	\$ 317,500	\$ 268,277

COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

PIKE COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 59,000	\$ 57,049	\$ 1,951
Other Salaries	120,923	116,463	4,460
Office Materials and Supplies	15,180	13,868	1,312
New Office Equipment	3,000	2,851	149
Telephone	13,500	13,203	297
Travel	15,000	12,338	2,662
Lease Payments	7,055	463	6,592
Office of County Attorney:			
Salaries-			
County Attorney	35,500	35,247	253
Other Salaries	61,000	60,501	499
Office Materials and Supplies	1,000	600	400
Bond	2,000	1,680	320
Registrations and Training	500	175	325
Telephone	6,200	4,874	1,326
Travel	1,000		1,000
Office of County Clerk:			
Supplement	10,000	5,532	4,468
Tax Bill Preparation	20,000		20,000
Office of Sheriff:			
Contracts With Government Agencies-			
Fishtrap Damsite Lake Patrol	50,000		50,000
Local Law Enforcement Grant	5,336		5,336
DARE Project Grant	15,000		15,000
Sheriff's Supplement	210,000	74,314	135,686
Bond	6,750	2,739	4,011
Data Processing Equipment	5,000		5,000

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Fiscal Court:			
Magistrates-			
Salaries	\$ 218,000	\$ 215,131	\$ 2,869
Secretaries Salaries	124,000	117,884	6,116
Bond	500	487	13
Dues	1,000		1,000
Office Materials and Supplies	14,600	14,030	570
Telephone	3,000	2,693	307
Travel	9,000	8,090	910
Postage	1,100	1,001	99
Rent	9,400	8,850	550
Water and Sewer	500	153	347
Electric	4,000	2,957	1,043
Gasoline	5,000	4,370	630
Maintenance and Repair Services -			
Vehicles	2,500	1,963	537
Lease Payments	3,497	3,497	
Fiscal Court Clerk:			
Salaries	8,800	8,765	35
Advertising	2,000	541	1,459
Office Materials and Supplies	4,000	3,163	837
Data Processing Equipment	2,500	1,059	1,441
Office of Property Valuation Administrator:			
Postage	7,070	7,070	
Advertisement	100		100
Data Processing Equipment	2,930	2,927	3
Telephone	4,900	3,991	909
Travel	300	266	34
Statutory Contribution	75,000	75,000	
Office of Board of Assessment Appeals:			
Per Diem	6,000	1,200	4,800

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of County Treasurer:			
County Treasurer Salary	\$ 51,050	\$ 50,996	\$ 54
Bond	3,250	3,045	205
Programming Services	2,000		2,000
Office Materials and Supplies	2,500	2,161	339
Dues	125		125
Travel	750	45	705
Bank Charges	500	279	221
Office of County Finance Director:			
Salaries	152,200	151,258	942
Advertising	105,000	103,682	1,318
Computer Programming Services	8,000	7,118	882
Maintenance and Repair Services-			
Computer Equipment	10,000	8,465	1,535
Office Materials and Supplies	7,500	6,423	1,077
Audit Services	30,000	26,556	3,444
Dues	125		125
Telephone	16,000	14,279	1,721
Travel	1,250	933	317
Capital Outlay-			
Data Processing Equipment	17,500	15,530	1,970
New Office Equipment	1,500	324	1,176
Office of Purchasing and Personnel:			
Salaries	44,000	39,365	4,635
Advertising	3,500	578	2,922
Office Materials and Supplies	6,500	3,698	2,802
Telephone	2,000	1,807	193
Travel	600	8	592
Capital Outlay -			
Data Processing Equipment	1,250		1,250
New Office Equipment	1,750	1,511	239

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
County Law Library:			
Law Librarian Salary	\$ 1,200	\$ 1,200	\$
Trial Commissioner:			
Salaries	19,150	19,127	23
Telephone	600		600
Elections:			
Per Diem-			
Election Commissioners	10,000	4,652	5,348
Election Officers	54,000	50,998	3,002
Advertising	67,000	66,622	378
Delivery of Voting Machines	10,200	1,338	8,862
Polling Places	2,000	955	1,045
Capital Outlay -			
Voting Machines Lease	51,725	50,304	1,421
Economic Development:			
Web Page Contract	12,000	2,000	10,000
Economic Development Contract	2,652,285	151,210	2,501,075
Corporation Contribution	10,000		10,000
Courthouse:			
Custodial Maintenance	112,000	111,342	658
Insurance	64,100	64,011	89
Pest Control	5,000	4,865	135
Renewals and Repairs	305,000	297,574	7,426
Materials and Supplies	25,000	23,932	1,068
Utilities	105,000	98,112	6,888
Other County Properties:			
Salary	137,750	136,461	1,289
Maintenance and Repair Services -			
Floodwall	2,000	211	1,789
Radio	1,000	560	440
Repairs	3,000	1,889	1,111
Building and Maintenance Supplies	14,000	12,517	1,483

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Other County Properties: (Continued)			
Gasoline	\$ 3,500	\$ 1,380	\$ 2,120
Office Materials and Supplies	4,000	3,297	703
Belfry and Phelps Center Repairs	260,000	252,642	7,358
Tires	1,000	491	509
Uniforms	450	302	148
Telephone	11,250	10,725	525
Travel	1,500	962	538
CAP Building Repairs	1,000	337	663
Capital Outlay - Equipment	3,423	3,040	383
Annex Building:			
Construction and Maintenance Wages	101,000	99,763	1,237
Custodial Personnel	34,400	33,490	910
Building Maintenance Supplies	8,500	7,929	571
Custodial Supplies	8,000	7,302	698
Other Materials and Supplies	8,000	7,538	462
Contract Repairs	5,000	536	4,464
Radio Repairs	1,000	984	16
Gasoline	9,000	8,623	377
Vehicle Repair Parts	3,300	3,119	181
Tires	1,750	1,226	524
Uniforms	3,750	3,693	57
Insurance	19,400	19,386	14
Renewals and Repairs	461,950	449,952	11,998
Telephone Service	750	339	411
Water and Sewer	20,000	19,920	80
Utilities	19,000	13,963	5,037
Natural Gas	15,000	11,755	3,245
Capital Outlay - Lease Payments	5,200	3,040	2,160

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Protection to Persons and Property</u>			
Constables:			
Bond	\$ 500	\$ 406	\$ 94
Expense Reimbursement	21,600	17,081	4,519
County Fire Department:			
Fire Hydrants Pass-Through Monies	71,624	71,624	
Disaster and Emergency Services:			
Director Salary	30,200	29,935	265
Gasoline	1,000	156	844
Emergency Materials and Supplies	4,000	3,586	414
Office Materials and Supplies	2,500	1,788	712
Telephone	2,000	1,874	126
Travel	750	462	288
Communication Equipment	1,500	539	961
Emergency Dispatch Service:			
911 Fees Distributed	425,000	421,745	3,255
Commonwealth Attorney:			
Salary Supplement	8,000	913	7,087
Office Supplies	25,000	24,492	508
Office of Public Defender:			
Contribution	9,073	9,073	
<u>General Health and Sanitation</u>			
Water System:			
Capital Outlay	13,837,300	1,353,857	12,483,443
Soil and Water Conservation:			
Program Support	9,000	9,000	
Public Advocate Program:			
Program Support	8,500	7,170	1,330

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Social Services</u>			
Victims' Assistance			
Red Cross Contribution	\$ 2,000	\$ 2,000	\$
Services to Children and Youth			
Juvenile Justice Grant Expenditures	80,000	50,370	29,630
Other Social Service Programs:			
Phelps Senior Citizens/Day Care Center -			
Director Salary	27,450	26,634	816
Custodial Personnel	15,650	14,789	861
Cooks	13,200	11,957	1,243
Custodial Supplies	2,200	2,080	120
Food Preparation and Serving Supplies	1,000	243	757
Food	19,000	18,321	679
Office Materials and Supplies	1,000	251	749
Telephone	4,600	4,029	571
Utilities	10,100	9,760	340
<u>Recreation and Culture</u>			
Parks:			
Maintenance and Grounds	93,250	91,200	2,050
Materials and Supplies	2,000	365	1,635
Upkeep and Maintenance	106,000	104,861	1,139
Recreation Capital Improvement	75,000	70,148	4,852
Golf Course:			
Operating Expenses	200,000	174,342	25,658
<u>Roads</u>			
Road Maintenance:			
GIS Mapping Salaries	73,100	65,694	7,406
Gasoline Expense	5,000	1,553	3,447
Vehicle Repair Parts	100	6	94

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Roads</u> (Continued)			
Road Maintenance: (Continued)			
Office Materials and Supplies	\$ 4,000	\$ 1,948	\$ 2,052
Travel	3,000	2,294	706
Motor Vehicles	37,856	37,856	
New Office Equipment	51,000	50,063	937
Capital Outlay-			
Lease Payments	2,500	463	2,037
<u>Airports</u>			
Airport Operation and Maintenance:			
Salaries and Other Wages	51,500	44,220	7,280
Social Security	4,825	3,233	1,592
Retirement	5,046	3,228	1,818
Employee Insurance-			
Life	125	44	81
Health	15,100	6,266	8,834
Unemployment Insurance	840		840
Workers Compensation	3,250	1,271	1,979
Insurance	3,000	1,714	1,286
Capital Outlay -			
Lease Payments	22,300	10,693	11,607
<u>Debt Service</u>			
Borrowed Money:			
Interest -			
Kentucky Advance Revenue Program	110,000	109,389	611
<u>Capital Projects</u>			
Other Capital Projects:			
Park Consultation	1,525,000	311,653	1,213,347
Capital Outlay	3,350,000	350,000	3,000,000
Civic Center	12,500,000		12,500,000

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Administration</u>			
General Services:			
Annual Events	\$ 9,500	\$ 8,392	\$ 1,108
Buskirk-McCarr Flood Control Project	25,000	25,000	
Contributions-			
Adult Education	1,000		1,000
Domestic Violence	20,000	20,000	
Legal Expense	5,000	2,244	2,756
Training	5,000	1,622	3,378
Memberships	17,000	16,661	339
Postage	9,000	7,678	1,322
Contingent Appropriations			
Reserve for Tax Refunds	15,355	45	15,310
Fringe Benefits:			
County Contributions-			
Social Security	114,378	108,720	5,658
Retirement	128,163	120,956	7,207
Health Insurance	293,360	277,270	16,090
Life Insurance	2,800	1,523	1,277
Worker's Compensation	41,000	40,160	840
Drug Testing	5,000	4,430	570
Employee Annual Events	7,500	4,065	3,435
Total Operating Budget	\$ 39,893,219	\$ 7,566,065	\$ 32,327,154
Other Financing Uses:			
Transfers to Public Properties			
Corporation Fund-	7,272	7,272	
Capital Lease Principal-			
Vehicles and Equipment	22,732	22,732	
Kentucky Advance Revenue Program-			
Principal	5,000,000	5,000,000	
Total General Fund	\$ 44,923,223	\$ 12,596,069	\$ 32,327,154

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u>			
<u>Roads</u>			
Office of Road Supervisor:			
Road Commissioner Salary	\$ 49,900	\$ 46,468	\$ 3,432
Other Salaries and Wages	73,000	72,506	494
Road Materials	128,011	113,997	14,014
Travel	1,000	395	605
Office Equipment	14,000	10,722	3,278
Road Maintenance:			
Road Workers Salary	1,062,822	980,522	82,300
Blacktop	600,000	41,899	558,101
Bridge Replacement	110,000	70,490	39,510
Contributions	100,000	49,504	50,496
Property Damage	5,000		5,000
State Flood Control	50,000		50,000
Road Signs	5,000	3,212	1,788
Road Materials	1,526,703	1,357,160	169,543
Petroleum Products	110,000	89,425	20,575
Clean-Up Underground Tanks	50,000	34,602	15,398
Energy Road Recovery	123,084	84,824	38,260
Equipment	4,740	4,740	
Rights-of-Way	5,000	1,600	3,400
Rent	14,500	14,000	500
Uniforms	7,000	4,878	2,122
Office Materials and Supplies	4,000	3,321	679
Telephone	11,000	10,787	213
Electric	13,500	12,034	1,466
Water and Sewer	1,500	1,039	461
Natural Gas	1,000		1,000
Safety Program	5,000	4,225	775
<u>Debt Service</u>			
Other County Liabilities			
Lease Payments	32,891	13,544	19,347
Interest on Notes	500		500

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
<u>Administration</u>			
General Services:			
Drug Testing	\$ 5,000	\$	\$ 5,000
Forestry Expenditures	8,458		8,458
Insurance	101,500	86,248	15,252
Fringe Benefits:			
County Contributions-			
Retirement	89,925	89,239	686
Social Security	81,310	79,959	1,351
Health Insurance	256,000	246,543	9,457
Life Insurance	2,500	1,207	1,293
Worker's Compensation	130,000	124,044	5,956
Unemployment Insurance	12,000		12,000
Total Operating Budget	\$ 4,795,844	\$ 3,653,134	\$ 1,142,710
Other Financing Uses:			
Transfers to Public Properties			
Corporation Fund	92,109	92,109	
Other Financing Uses:			
Notes-			
Principal	12,000		12,000
Total Road and Bridge Fund	\$ 4,899,953	\$ 3,745,243	\$ 1,154,710

JAIL FUND

Protection to Persons and Property

Office of Jailer:

Personnel Services-

Salaries-

Jailer	\$ 75,000	\$ 56,187	\$ 18,813
Deputies	600,000	590,189	9,811
Cooks	55,000	46,435	8,565
Contracts With Other Counties	5,000		5,000

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND (Continued)</u>			
<u>Protection to Persons and Property (Continued)</u>			
Officer of Jailer: (Continued)			
Maintenance and Repair Services -			
Computer	\$ 3,000	\$ 2,360	\$ 640
Equipment	40,000	38,943	1,057
Operations-			
Cleaning Supplies	25,500	24,503	997
Food Preparation	4,500	3,887	613
Food	139,692	126,102	13,590
Office Supplies	7,500	6,372	1,128
Prisoner Clothing	3,500	3,342	158
Prisoner Hygiene	3,000	2,716	284
Routine Medical	110,000	81,392	28,608
Staff Uniforms	5,000	4,763	237
Staff Travel	5,000	4,871	129
Telephone	5,500	5,088	412
Water and Sewer	35,000	34,090	910
Electric	65,000	62,294	2,706
Natural Gas	21,500	19,748	1,752
Vehicle Maintenance	1,500	1,343	157
<u>Administration</u>			
Drug Testing	6,500	5,679	821
Liability Insurance	54,500	42,930	11,570
Association Dues	600	550	50
Fringe Benefits:			
County Contributions-			
Retirement	60,000	56,730	3,270
Social Security	56,000	50,367	5,633
Life Insurance	1,300	728	572
Health Insurance	132,000	131,467	533
Worker's Compensation	49,000	34,120	14,880
Unemployment Insurance	4,250	1,891	2,359
Total Jail Fund	\$ 1,574,342	\$ 1,439,087	\$ 135,255

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND			
<u>General Government</u>			
Office of County Coroner			
Salaries-			
County Coroner	\$ 25,000	\$ 23,465	\$ 1,535
Deputy Coroner	8,800	7,892	908
Bond	500	406	94
Vehicle Maintenance and Repairs	3,200	3,015	185
Materials and Supplies	5,500	4,728	772
Telephone	4,750	4,492	258
Travel	5,500	5,254	246
Motor Vehicle	20,000	19,888	112
Lease Payments:			
Vehicles	52		52
Economic Development			
Telecommunications	26,000		26,000
<u>Protection to Persons And Property</u>			
Juvenile Detention			
Housing And Transporting Juveniles	110,650	102,374	8,276
County Fire Department:			
Class 9 Rating	140,000	140,000	
Fire Protection Insurance	50,000	49,454	546
Training - Fire School	10,000	3,570	6,430
Other Capital Outlay	215,000	172,063	42,937
Fire Hydrants	50,000	50,000	
<u>General Health And Sanitation</u>			
Dog Control:			
Animal Shelter Wages	92,905	88,886	4,019
Contract Medical Services	8,500	8,355	145
Food	3,000	1,464	1,536
Cleaning Supplies	4,000	2,612	1,388
Gasoline	2,000	1,962	38

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
LOCAL GOVERNMENT ECONOMIC <u>ASSISTANCE FUND</u> (Continued)			
<u>General Health And Sanitation</u> (Continued)			
Dog Control (Continued)			
Motor Vehicle Parts	\$ 2,000	\$ 599	\$ 1,401
Office Materials	1,000	650	350
Tires	900	362	538
Uniforms	900	802	98
Dog License Refunds	1,000	529	471
Pharmaceuticals	5,100	4,919	181
Telephone	3,200	3,006	194
Travel	1,000	170	830
Electric	5,000	4,337	663
Equipment	2,000	817	1,183
Water System:			
Plant/Sewage Design	410,000	410,000	
Water Lines	311,254	311,254	
Sewage System:			
Maintenance and Utilities	83,000	81,718	1,282
<u>Social Services</u>			
Senior Citizens Program:			
Program Support	352,100	352,100	
Building Maintenance	3,850	480	3,370
Repair Parts	100	30	70
Tires and Tubes	750	406	344
Building and Construction -			
Phelps Senior Citizens Center	10,500	9,234	1,266
Elkhorn Senior Citizens Center	8,550	8,283	267
General Charity and Welfare:			
Aid To The Needy	8,250	6,474	1,776
Other Social Services Programs:			
Salary	44,200	43,737	463
Court Appointed Attorney	10,000	9,250	750

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
LOCAL GOVERNMENT ECONOMIC <u>ASSISTANCE FUND</u> (Continued)			
<u>Social Services</u> (Continued)			
Other Social Services Programs: (Continued)			
Psychiatric Evaluations	\$ 40,000	\$ 30,500	\$ 9,500
Office Materials And Supplies	3,650	3,558	92
Telephone Expense	2,000	1,784	216
Travel	500	168	332
New Office Equipment	7,850	7,469	381
<u>Recreation And Culture</u>			
Parks:			
Recreation Projects	100,000	98,023	1,977
Recreation Programs:			
YMCA Contribution	89,000	54,734	34,266
Major Repairs	56,000	54,511	1,489
<u>Airports</u>			
Airport Operations and Maintenance:			
Supervisor/Director	8,500	6,526	1,974
<u>Transportation Facilities And Services</u>			
Transportation:			
Non-Emergency	27,000	26,717	283
<u>Debt Service</u>			
Capital Lease:			
Interest-			
Courthouse Renovation	196,648	157,152	39,496
Equipment	18,949	18,949	
Other County Liabilities:			
Operating Lease Payments	2,817	2,099	718

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND (Continued)</u>			
<u>Administration</u>			
Fringe Benefits:			
County Contributions-			
Retirement	\$ 18,850	\$ 12,714	\$ 6,136
Social Security	17,800	12,452	5,348
Life Insurance	600	197	403
Health Insurance	50,000	36,988	13,012
Worker's Compensation	12,000	10,558	1,442
Unemployment Insurance	2,690	2,690	
Total Operating Budget	\$ 2,704,865	\$ 2,476,826	\$ 228,039
Other Financing Uses:			
Transfers to Public Properties			
Corporation Fund -	236,462	236,462	
Capital Lease Principal -			
Vehicles and Equipment	13,640	13,640	
Courthouse Renovations	140,361	140,361	
Courthouse Renovations and Furniture	17,121	17,121	
Total Local Government Economic Assistance Fund	\$ 3,112,449	\$ 2,884,410	\$ 228,039
<u>FORESTRY FUND</u>			
<u>Protection To Persons And Property</u>			
Forest Fire Protection:			
Forest Fire Protection	\$ 9,156	\$ 8,208	948

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>SOLID WASTE FUND</u>			
<u>General Health And Sanitation</u>			
Sanitary Landfill:			
Contract Labor	\$ 37,750	\$ 33,885	\$ 3,865
Filing Fees	3,000	50	2,950
Judgements - Property Damage	7,500	5,872	1,628
Silt Pond Cleaning	7,500		7,500
Closing Old Landfill	2,000	1,054	946
Solid Waste Collections:			
Solid Waste Salaries	1,788,550	1,569,017	219,533
Advertising	2,500	285	2,215
Evaluation And Testing	20,000	19,291	709
Clean Community Program	31,750	29,613	2,137
Blacktop	15,000	13,117	1,883
Gravel	18,000	11,388	6,612
Data Processing Forms	5,000	3,042	1,958
Tire Disposal	40,810	40,050	760
Office Materials and Supplies	8,750	8,168	582
Petroleum Products	180,000	154,900	25,100
Other Materials And Supplies	36,000	34,750	1,250
Uniforms	10,000	7,686	2,314
Bank Charges	3,500	30	3,470
Insurance	55,000	36,536	18,464
Licensing Vehicles	675	433	242
Postage	9,500	9,466	34
Telephone	12,000	9,283	2,717
Travel	2,500	1,793	707
Water And Sewer	4,500	3,993	507
Electric	15,000	12,909	2,091
Safety Program	10,000	1,150	8,850
Debris Landfill Construction	2,500	891	1,609
Office Equipment	7,000	2,259	4,741
Equipment Purchases	7,900	7,458	442
Pride Grant	20,000	7,424	12,576
Debt Service			
Other County Liabilities-			
Lease Purchase Agreements	315,029	62,164	252,865

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>SOLID WASTE FUND (Continued)</u>			
<u>General Health And Sanitation</u>			
Capital Lease:			
Interest-			
Vehicles and Equipment	\$ 17,719	\$ 17,719	\$
Equipment	22,202	22,202	
<u>Administration</u>			
General Services:			
Drug Testing	5,000		5,000
Fringe Benefits:			
County Contributions-			
Retirement	150,000	127,280	22,720
Social Security	141,600	114,022	27,578
Life Insurance	3,850	1,965	1,885
Health Insurance	405,000	403,401	1,599
Worker's Compensation	159,000	158,655	345
Unemployment Insurance	15,000	11,432	3,568
	<u>\$ 3,598,585</u>	<u>\$ 2,944,633</u>	<u>\$ 653,952</u>
Other Financing Uses:			
Transfers to Public Properties			
Corporation Fund-	640,622	640,607	15
Capital Lease Principal-			
Vehicles And Equipment	115,178	115,178	
Total Solid Waste Fund	<u>\$ 4,354,385</u>	<u>\$ 3,700,418</u>	<u>\$ 653,967</u>

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>MAINTENANCE GARAGE FUND</u>			
<u>General Government</u>			
Maintenance Operations:			
Wages	\$ 350,400	\$ 349,254	\$ 1,146
Contract Repairs	166,500	165,678	822
Radio Parts	25,750	25,235	515
Wrecker Service	5,250	4,532	718
Welding Supplies	6,000	5,364	636
Vehicle Parts	270,200	268,753	1,447
Office Materials and Supplies	4,000	3,074	926
Shop Materials and Supplies	9,000	8,317	683
Shop Tools	7,000	6,401	599
Tires and Tubes	67,500	66,102	1,398
Uniforms	2,500	2,490	10
Telephone	4,000	3,676	324
Travel and Training	4,039	3,516	523
Electric	6,000	5,654	346
Natural Gas	250	35	215
Tool Allowance	800	800	
<u>Administration</u>			
General Services:			
Drug Testing	500	439	61
Fringe Benefits:			
County Contributions-			
Retirement	29,000	28,653	347
Social Security	26,950	25,384	1,566
Life Insurance	650	343	307
Health Insurance	67,500	67,274	226
Worker's Compensation	14,500	14,439	61
Unemployment Insurance	3,500	3,500	
Total Maintenance Garage Fund	<u>\$ 1,071,789</u>	<u>\$ 1,058,913</u>	<u>\$ 12,876</u>

PIKE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>FEDERAL GRANTS FUND</u>			
Community Development Block Grant:			
Mossy Bottom Industrial Development	\$ 680,000	\$ 8,402	\$ 671,598
Total Operating Budget - All Funds	\$ 54,327,800	\$ 19,155,268	\$ 35,172,532
Other Financing Uses:			
Transfers to Public Properties			
Corporation Fund	976,465	976,450	15
Notes:			
Principal	12,000		12,000
Capital Lease Principal			
Vehicles and Equipment	151,550	151,550	
Courthouse Renovation	140,361	140,361	
Courthouse Renovations and Furniture	17,121	17,121	
Kentucky Advance Revenue Program- Principal	5,000,000	5,000,000	
TOTAL BUDGET - ALL FUNDS	\$ 60,625,297	\$ 25,440,750	\$ 35,184,547

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Karen F. Gibson, County Judge/Executive
Honorable Donna Damron, Former County Judge/Executive
Members of the Pike County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Pike County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated March 14, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Pike County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pike County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Karen F. Gibson, County Judge/Executive
Honorable Donna Damron, Former County Judge/Executive
Members of the Pike County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
March 14, 2000

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Karen F. Gibson, County Judge/Executive
Honorable Donna Damron, Former County Judge/Executive
Members of the Pike County's Fiscal Court

Report On Compliance With Requirements Applicable To Each Major Program
And Internal Control Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Pike County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. Pike County's major federal programs are identified in the Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Pike County's management. Our responsibility is to express an opinion on Pike County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pike County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Pike County's compliance with those requirements.

In our opinion, Pike County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of Pike County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Pike County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Honorable Karen F. Gibson, County Judge/Executive
Honorable Donna Damron, Former County Judge/Executive
Members of the Pike County's Fiscal Court
Report On Compliance With Requirements Applicable To Each Major Program
And Internal Control Over Compliance In Accordance With OMB Circular A-133
(Continued)

Internal Control Over Compliance (Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed –
March 14, 2000

FINDINGS AND QUESTIONED COSTS

PIKE COUNTY
FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Pike County.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Pike County were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal awards program are reported in the Independent Auditor's Report.
5. The auditor's report on compliance for the audit of the major federal award program for Pike County expresses an unqualified opinion.
6. There are no audit findings relative to the major federal awards programs for Pike County reported in Part C of this schedule.
7. The program tested as a major program was: Abandoned Mine Land Reclamation Grant (CFDA # 15.252).
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Pike County was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM
AUDIT

NONE

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

PIKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1999

Federal Grantor Program Title Grant Name (CFDA #)	Pass-Through Grantor's Number	Expenditures
<u>Cash Programs</u>		
U.S. Appalachian Regional Commission		
Passed-Through State Department of Local Government:		
Appalachian Regional Commission		
Grant-		
Phelps/Majestic Area Fire Hydrant Project (CFDA #23.002)	KY-12539-96-I-214-0630	\$ 71,624
U.S. Department of the Interior		
Passed-Through State Department of Natural Resources:		
Abandoned Mine Land Reclamation		
Programs-		
Freeburn/Majestic Water Supply Project (CFDA #15.252)	Not Available	1,293,230
Feds Creek/Mouthcard (CFDA #15.252)	12-34-600-FMAO-E415-04	49,127
U.S. Department of Justice		
Passed-Through State Justice Cabinet:		
Juvenile Justice and Delinquency Prevention- (CFDA #16.579)	Not Applicable	45,995
Equipment Grant (CFDA #16.579)	LLEB-59-1/97	5,336
U.S. Federal Emergency Management Agency		
Passed-Through State Department of Military Affairs:		
Disaster and Emergency		
Assistance Grants-		
Coordinator Salary (CFDA #83.534)	Not Applicable	6,479
1997 Severe Storms/Flooding	FEMA-1163-DR-KY	3,156
Community Development Block Grant-		
Pike County Flood Disaster Recovery Project (CFDA #83.516)	B-97-DC-21-0001(065)	8,402

PIKE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Fiscal Year Ended June 30, 1999
 (Continued)

Federal Grantor Program Title Grant Name (CFDA #)	Pass-Through Grantor's Number	Expenditures
U.S. Environmental Protection Agency		
Passed-Through State Waste Water Education Grant (CFDA # Not Available)	Not Available	<u>11,500</u>
Total Cash Expenditures of Federal Awards		<u>\$ 1,494,849</u>
<u>Noncash Programs</u>		
U.S. Department of Agriculture		
Passed-Through State Department of Agriculture: Jail Commodity Program (CFDA #10.569)	Not Applicable	<u>\$ 3,619</u>

PIKE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1999

Note 1 - Basis of Presentation

This schedule is presented on a cash basis except for the noncash programs, which represents commodities received and distributed by the county. The dollar value of these commodities has been provided by the Department of Agriculture.

Note 2 - The federal expenditures include grants to subrecipients as follows:

<u>Subrecipient</u>	<u>Number</u>	<u>Pass-Through Grant Amount</u>
Mountain Water District	15.252	\$ 1,342,357
Mountain Water District	23.002	71,624
Mountain Water District	83.516	8,402

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**CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS**

PIKE COUNTY FISCAL COURT

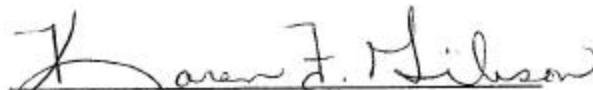
Fiscal Year Ended June 30, 1999

CERTIFICATION OF COMPLIANCE

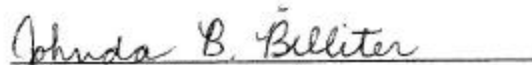
LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS

PIKE COUNTY FISCAL COURT

The Pike County Fiscal Court hereby certifies that assistance received from the Local Government Economic Development Program and Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Karen F. Gibson
County Judge/Executive



Johnnda B. Billiter
County Treasurer